

April 3, 2009

Ms. Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke St.
Alexandria, VA 22314-3428

RE: KCUL's Comments on Advanced Notice of Proposed Rulemaking for Part 704,
Corporate Credit Unions

Dear Ms. Rupp:

On behalf of the credit unions in Kentucky, we would like to express our concerns in regards to the restructuring of the corporate network.

Approximately 75% of the credit unions in Kentucky are less than \$25 million in assets. These credit unions depend on our state corporate for low cost, affordable services with a steady return on their investments. Kentucky Corporate has historically fulfilled an important role by providing natural person credit unions with settlement and payment services. In addition, our corporate credit union has played a major role in meeting both the short-and long-term investment needs of our credit unions.

If Kentucky Corporate ceased to exist in its present form, our credit unions would be forced to find other alternatives for their settlement, payment and investment needs. This change would not only be time consuming but very expensive. In this time of economic uncertainty and with the looming National Credit Union Share Insurance Fund expenses and write downs, the last thing our credit unions need is additional expense and inconvenience.

We strongly urge you to consider the needs of the smaller credit unions. And, to consider the impact, both on a fiscal and convenience basis, that restructuring will have on these credit unions.

Thank you for the opportunity to comment on the ANPR regarding the structure and operations of corporate credit unions. The issues raised in the ANPR are extremely important for all credit unions. However, our credit unions strongly urge you not to do away with the local corporate network system.

Sincerely,

A
Wendell Lyons
President